

EXHIBIT 7 – Part 4



Mitigation of Public Facility Impacts

Development impact fees for schools, roads, parks, infrastructure, and other services are collected when new projects are approved, so that existing residents are not burdened with these costs. However, the City's ability to fully recover such costs is limited by state and federal law. School impact fees are capped by the State, and other fees must be based on in-depth fiscal studies. Before

levying development fees or requiring specific improvements, the City must demonstrate that there is a "nexus" between the project and the need for expanded services.

The City will promote creative solutions to minimize the impacts of new housing development on existing San Leandro residents in the future. One effective strategy is to maintain a favorable balance of residential and non-residential growth. By encouraging economic growth as well as housing, particularly projects which generates sales tax and other local revenue, the City can place itself in a better position to maintain or improve the services it provides to residents.

Throughout San Leandro, a concerted effort will be made to protect residential privacy and views, conserve significant architectural qualities, and ensure that new development contributes positively to the overall character of the neighborhood. New structures should be sited to conserve natural features, protect creeks and vegetation, and maintain the predominantly low profile of the built environment. The increased emphasis on residential design may mean that some homeowners will need to invest additional time and effort before altering or adding on to their homes. The end result will be a more attractive, coherent community—enhancing property values for all residents and protecting the sizeable investment that many residents have made in their properties.

New Housing Opportunities

San Leandro is committed to creating new housing opportunities for current and future residents. New housing will be needed to balance the projected increase in job growth and to respond to changing community needs. The policies and actions in Goal 3 reflect a commitment to promote a spectrum of housing types, from executive homes to affordable units and housing for "special needs" groups such as seniors and the disabled. This commitment is echoed in the Housing Element.

Citizen Participation

Most San Leandro residents live within the boundaries of an active homeowners association (HOA). The City's HOAs represent areas as small as individual condominium complexes and areas as large as greater Washington Manor, with some 5,700 households. The HOAs have a long history of active participation in neighborhood improvement and public safety. Goal 5 expresses the City's desire to continue to work with the HOAs to address land use and development issues. It also expresses a commitment to work with all San Leandro residents, be they active HOA members or not. The key is to create as many avenues as possible for residents and other stakeholders to become involved.

D. GOALS, POLICIES, AND ACTIONS**Goal: Community Standards****1**

Maintain stable, safe, and attractive neighborhoods through City and homeowners association cooperation.

POLICIES AND ACTIONS**IMPLEMENTATION STRATEGIES****1.01****HOUSING MAINTENANCE**

Support the on-going conservation, maintenance and upgrading of the City's housing inventory.

- Housing Programs

1.02**CODE ENFORCEMENT**

Maintain aggressive code enforcement and nuisance abatement programs to ensure that San Leandro's neighborhoods remain attractive and free of public nuisances.

- Code Enforcement
- Community Preservation Ordinance

Action 1.02-A: Unpermitted Construction

Explore a variety of regulatory tools and programs to reduce the incidence of illegal construction and ensure that such construction is either removed or retroactively permitted and brought up to code when it is discovered.

Action 1.02-B: Community Preservation Ordinance Revisions

Consider revisions to the City's Community Preservation Ordinance to further reduce the potential for violations and to expedite code enforcement procedures. These revisions could include higher or accelerated penalties for repeat offenders. Explore the pro-active enforcement of community standards by Staff in addition to the current complaint-based enforcement system.

Action 1.02-C: Mobile Home Park Improvements

Pursue a variety of strategies and programs to upgrade the appearance of mobile home parks without displacing owners and tenants.

1.03**COLLABORATION WITH HOMEOWNERS ASSOCIATIONS**

Work closely and collaboratively with homeowners associations and other community groups to address nuisances, eliminate blight, and ensure that community aesthetic standards are maintained.

- City Operating Procedures
- Public Education and Outreach

POLICIES AND ACTIONS (*Community Standards continued*)**IMPLEMENTATION STRATEGIES****Action 1.03-A: Community Compliance Brochures**

Develop brochures and other public information material on the City of San Leandro Community Compliance Program and nuisance regulations. Work with homeowners associations, realtors, and other groups to distribute these materials to new residents and businesses.

1.04**FRONT YARDS**

Encourage the attractive treatment of front yards and other areas in residential neighborhoods that are visible from the street. Establish limits on the paving of front yard areas.

- Zoning Code
- Municipal Code and Ordinances

Action 1.04-A: Front Yard Landscaping Standards

Consider Zoning Code revisions that establish minimum standards for front yard landscaping and limits on impervious surface coverage on single family residential lots.

Action 1.04-B: Boat and RV Storage and Screening Requirements

Consider an ordinance prohibiting the storage of boats and recreational vehicles (RVs) within front yard driveways and requiring adequate screening where boats and RVs are stored in side yards. Concurrently with this action, encourage the development of local businesses providing storage facilities for boats, RVs, and other large personal effects to provide storage alternatives for area residents.

Action 1.04-C: Maintenance of Rental Properties

Pursue ordinance revisions and new programs to ensure that landlords are held accountable for the appearance and maintenance of rental properties, including both yard areas and structures.

1.05**HOME OCCUPATIONS**

Restrict home occupations in residential neighborhoods to those that have no perceptible impacts on the neighborhood.

- Development Review
- Zoning Code

1.06**DAY CARE CENTERS IN NEIGHBORHOODS**

To the extent permitted by State law, maintain regulations for large-family day care facilities (as defined by the State) and child care centers which ensure that impacts on residential neighborhoods are minimized.

- Zoning Code

POLICIES AND ACTIONS *(Community Standards continued)***IMPLEMENTATION STRATEGIES****1.07****FENCES**

Require that any fencing in residential neighborhoods meets high aesthetic and safety standards. Residential fencing should not obstruct vehicle sight lines, should be compatible with the architectural design of nearby structures and should make a positive contribution to the character of the neighborhood.

Action 1.07-A: Fence Guidelines

Establish design guidelines for fences and incorporate these guidelines into the review process for fence applications. The guidelines should maintain the three-foot height limit on front yard fences.

Action 1.07-B: Chain Link Fencing Ordinance

Develop an ordinance to prohibit new chain link fences in the street-facing yards of single family homes. The ordinance should include provisions to phase out existing street-facing chain link fences, possibly by requiring such fences to be removed or replaced when homes change ownership.

Action 1.07-C: Through-Lot Fence Improvements

Undertake a program to improve the appearance of rear yard fences on through-lots fronting major thoroughfares by making them consistent in design, materials, and overall appearance.

- Design Guidelines
- Design Review
- Municipal Code and Ordinances

1.08**MULTI-FAMILY HOUSING UPKEEP**

Maintain and enforce high standards of maintenance and property upkeep after multi-family housing projects are completed and occupied.

Action 1.08-A: Enforcement of Approval Conditions

Establish a program to periodically inspect new developments after construction to ensure that conditions of approval are being met. Establish appropriate fines, penalties, and corrective measures in the event conditions are not being met.

- City Operating Procedures
- Code Enforcement

1.09**GRAFFITI AND WEED ABATEMENT**

Maintain graffiti removal and weed abatement programs throughout the City and respond promptly and effectively to resident complaints.

- Annual Budget
- Municipal Code and Ordinances

POLICIES AND ACTIONS (*Community Standards continued*)**IMPLEMENTATION STRATEGIES****1.10****SECOND UNITS**

Allow second units in appropriate residential zones, subject to conditional use permit requirements which ensure that parking, design, and other neighborhood impacts are fully addressed and that other criteria and standards established by the City are met.

Action 1.10-A: Second Unit Design Standards

Develop design standards for second units which ensure that the units are architecturally compatible with the primary residence.

- Design Guidelines
- Zoning Code

1.11**ENCROACHMENT OF INCOMPATIBLE USES**

Protect residential neighborhoods from the encroachment of incompatible non-residential uses and disruptive traffic, to the extent possible. Zoning and design review should ensure that compatibility issues are fully addressed when non-residential development is proposed near or within residential areas.

- Development Review
- Zoning Code

1.12**MIXED SINGLE FAMILY RESIDENTIAL/
INDUSTRIAL AREAS**

Prohibit new projects which perpetuate a "hodge-podge" appearance of mixed single family homes and industrial uses on adjacent small lots. Encourage redevelopment projects which phase out this development pattern where it now exists.

Action 1.12-A: Non-Conforming Use Amendment

Amend the City's non-conforming use regulations to eliminate provisions allowing the rebuilding of existing residences in industrial districts in the event the structures are destroyed or substantially damaged.

- Development Review
- Redevelopment Project Funding
- Zoning Code

Goal: Neighborhood Character**2****Preserve and enhance the distinct identities of San Leandro neighborhoods.****POLICIES AND ACTIONS****IMPLEMENTATION STRATEGIES**

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|--|--|
| <p>2.01 NEIGHBORHOOD CENTERS
Encourage the improvement of small, neighborhood-serving shopping areas as pedestrian-oriented centers with a mix of stores providing goods and services to the surrounding residential neighborhoods.</p> <p><i>Action 2.01-A: Commercial Rehabilitation Program
Continue the City's Commercial Rehabilitation Program, which promotes paint, awning, façade, and other improvements at local neighborhood centers. This program should enhance the appearance of neighborhood commercial districts and emphasize their function as local gathering places. Explore other improvements to make neighborhood shopping centers more pedestrian-friendly.</i></p> | <ul style="list-style-type: none"> ● Business Development Programs ● Redevelopment Project Funding |
| <p>2.02 NEIGHBORHOOD SCHOOLS AND PARKS
Recognize local schools and parks as key aspects of what makes a neighborhood desirable and unique. Promote activities at schools and parks that build community pride and create a sense of neighborhood ownership.</p> | <ul style="list-style-type: none"> ● City Operating Procedures ● Intergovernmental Coordination |
| <p>2.03 PEDESTRIAN AND BICYCLE IMPROVEMENTS
Promote improvements that make San Leandro neighborhoods more friendly to pedestrians and bicyclists, such as bike lanes, street trees, and crosswalks.</p> | <ul style="list-style-type: none"> ● Capital Improvement Program ● Engineering Development Standards |
| <p>2.04 PRESERVATION OF LOW-DENSITY CHARACTER
Preserve the low-density character of San Leandro's predominantly single family neighborhoods. Concentrate new multi-family development in the areas near the BART Stations and along major transit corridors such as East 14th Street. Ensure that such development enhances rather than detracts from the character of surrounding neighborhoods.</p> | <ul style="list-style-type: none"> ● Development Review ● Zoning Code |
| <p>2.05 ALTERATIONS, ADDITIONS, AND INFILL
Ensure that alterations, additions and infill development are compatible with existing homes and maintain aesthetically pleasing neighborhoods.</p> | <ul style="list-style-type: none"> ● Design Guidelines ● Development Review |

POLICIES AND ACTIONS *(Neighborhood Character continued)***IMPLEMENTATION STRATEGIES****2.06****DENSITY TRANSITIONS**

Avoid abrupt transitions from high density to low density housing. Where high-density development occurs, encourage such projects to step down in height and mass as they approach nearby lower density areas.

- Design Guidelines
- Development Review
- Zoning Code

2.07**TEARDOWNS**

Discourage "teardowns" (the replacement of smaller dwellings with larger and more expensive homes) where the existing home is in good physical condition and the proposed home would be substantially larger than the prevailing scale of the neighborhood.

- Design Guidelines
- Design Review
- Zoning Code

2.08**PRIVACY AND VIEWS**

Encourage residential alterations, additions, and new homes to be designed in a manner that respects the privacy of nearby homes and preserves access to sunlight and views. Wherever feasible, new or altered structures should avoid the disruption of panoramic or scenic views.

- Design Guidelines
- Design Review
- Zoning Code

2.09**OFF-STREET PARKING**

Ensure that adequate off-street parking is provided for new residential uses. Parking should be conveniently located but its visual prominence should be minimized.

- Design Guidelines
- Development Review
- Zoning Code

2.10**GATED COMMUNITIES**

Unless overriding public safety considerations exist, discourage the development of "gated" communities or the gating of already developed neighborhoods or subdivisions.

- Engineering Development Standards
- Subdivision Ordinance

2.11**EMERGENCY ACCESS**

Ensure that all new development is designed for adequate access by emergency vehicles.

- Building Code
- Fire Code

2.12**USEABLE OPEN SPACE PROVISIONS**

Require useable open spaces for community use in large new residential developments. Wherever feasible, such spaces should contain play equipment, children's activity areas, and other amenities that draw people outdoors, create street life, and instill a sense of community.

- Development Review
- Zoning Code

2.13

HARMONY WITH NATURE

Require new development to be harmonious with its natural setting and to preserve natural features such as creeks, large trees, ridgelines, and rock outcroppings.

- CEQA
- Development Review

2.14

CONSTRAINED SITES

Focus new housing development on underutilized or infill sites on the city's flatter lands, rather than on previously undeveloped sites in the hills. Development on sites with significant geologic, hydrologic, or land stability constraints should be strongly discouraged.

- Development Review
- Zoning Code

(Please consult the Historic Preservation and Community Design Element for additional policies and actions on residential design.)



Goal: New Housing Opportunities**3**

Provide housing opportunities and improve economic access to housing for all segments of the community.

POLICIES AND ACTIONS**IMPLEMENTATION STRATEGIES**

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| <p>3.01</p> | <p>MIX OF UNIT TYPES</p> <p>Encourage a mix of residential development types in the City, including single family homes on a variety of lot sizes, as well as townhomes, row houses, live-work units, planned unit developments, and multi-family housing.</p> | <ul style="list-style-type: none"> ● Development Review ● Zoning Code |
| <p>3.02</p> | <p>MIX OF PRICE RANGES</p> <p>Encourage a mix of price ranges to provide housing choices for San Leandro residents of all incomes and ages. Opportunities to include affordable units and market rate units within the same development projects should be pursued.</p> | <ul style="list-style-type: none"> ● Development Review ● Housing Programs ● Public/Private Partnerships |
| <p>3.03</p> | <p>AFFORDABLE HOUSING DESIGN</p> <p>Design new affordable housing to blend in with the existing fabric of the community. Affordable housing should be located in a variety of neighborhoods rather than concentrated in one particular part of the City.</p> | <ul style="list-style-type: none"> ● Design Guidelines ● Development Review |
| <p>3.04</p> | <p>PROMOTION OF INFILL</p> <p>Encourage infill development on vacant or underused sites within residential areas.</p> | <ul style="list-style-type: none"> ● Development Review ● Zoning Code |
| <p>3.05</p> | <p>MIXED USE ON TRANSIT CORRIDORS</p> <p>Encourage mixed use projects containing ground floor retail and upper floor residential uses along major transit corridors. Such development should be pedestrian-oriented, respect the scale and character of the surrounding neighborhood, and incorporate architectural themes that enhance the identity of adjacent commercial districts.</p> | <ul style="list-style-type: none"> ● Design Guidelines ● Redevelopment Project Funding ● Specific Plans ● Zoning Code |
| <p>3.06</p> | <p>HOUSING BY NON-PROFIT DEVELOPERS</p> <p>Promote the participation of non-profit housing organizations in the construction of new affordable housing in San Leandro, with particular emphasis on housing for seniors and working families.</p> | <ul style="list-style-type: none"> ● Housing Programs ● Public/Private Partnerships |

POLICIES AND ACTIONS *(New Housing Opportunities continued)***IMPLEMENTATION STRATEGIES****Action 3.06-A: Rental Housing Production**

Pursue funds through a variety of government programs to assist in the creation of new affordable rental units.

3.07**AMENITIES AND SOCIAL SERVICES WITHIN NEW HOUSING**

Encourage new affordable housing development to provide amenities for future residents, such as on-site recreational facilities and community meeting space. Where feasible, consider the integration of social services such as child care within such projects.

- Housing Programs
- Public/Private Partnerships

3.08**LIVE-WORK DEVELOPMENT**

Provide opportunities for "live-work" development as a buffer land use between residential and non-residential areas, and to provide a housing resource for artists, craftspersons, and persons working from home. The design of live-work projects should be sensitive to the surrounding areas.

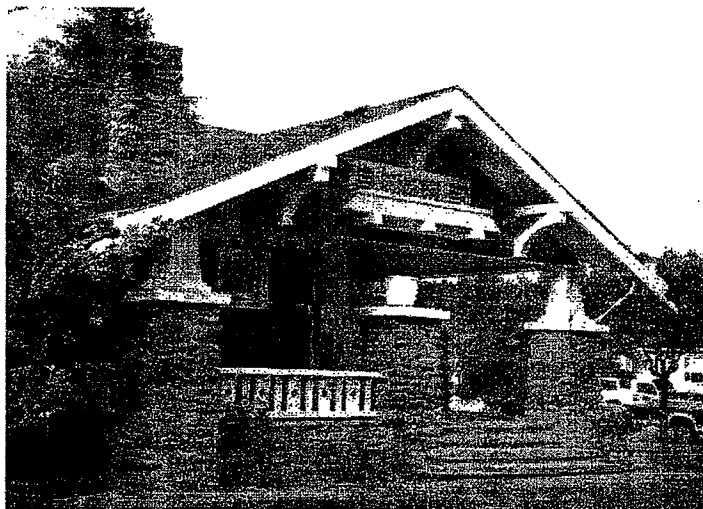
- Development Review
- Municipal Code and Ordinances
- Zoning Code

Action 3.08-A: Live-Work Ordinance

Develop an ordinance addressing "live-work" and "work-live" development in the City.

Action 3.08-B: Inventory of Potential Live-Work Buildings

Prepare an inventory of buildings which might be suitable for conversion to live-work uses, mixed use projects, or community facilities.



POLICIES AND ACTIONS (*New Housing Opportunities continued*)**IMPLEMENTATION STRATEGIES****3.09****EXECUTIVE HOUSING**

Encourage the provision of a significant amount of executive housing as part of an effort to maintain and diversify the City's economic base.

- Development Review

3.10**CONVERSION OF NON-RESIDENTIAL LAND TO HOUSING AND PUBLIC USES**

Encourage the development of new housing on underutilized commercial and industrial sites which meet the following criteria:

- Sites on the edges of commercial or industrial areas, adjacent to established residential areas.
- Sites where continued use with commercial or industrial activities could perpetuate existing land use conflicts.
- Sites with adequate infrastructure, access, and road capacity.
- Sites which are not constrained by external environmental factors, including freeway, railroad, and airport noise.
- Sites where conflicts with surrounding uses would not be created in the event of re-use.
- Sites which lack "prime" qualities for commercial or industrial development, such as direct freeway or rail access.
- Publicly-owned land which is not being used to its fullest potential.

- Development Review
- Redevelopment Project Funding
- Specific Plans
- Zoning Code

Sites meeting the above criteria should also be considered for churches, libraries, parks, community facilities, and other uses that provide necessary services and advance the quality of life in the community.

Action 3.10-A: Inventory of Vacant and Underused Sites

Periodically inventory vacant and underused sites to determine which are most feasible for conversion to new uses, including schools and parks.

Goal: **Mitigation of Public Facility Impacts**

4

Ensure that new residential development contributes its appropriate share toward the provision of adequate schools, parks, and other public facilities.

POLICIES AND ACTIONS

IMPLEMENTATION STRATEGIES

4.01

CONCURRENT PROVISION OF SERVICES

To the extent permitted by law, allow new residential development to occur only when the public facilities needed to serve that development are available or will be provided concurrently with the development.

- CEQA
- Development Review

Action 4.01-A: Development Review

Review all development proposals to assess their impacts on the demand for City services and public facilities. Identify mitigation measures as appropriate.

4.02

FAIR SHARE CONTRIBUTIONS

Require new residential development to pay its fair share of the cost of capital improvements needed to serve that development.

- Development Review
- Impact/In-Lieu Fees

Action 4.02-A: Impact Fee Revisions

Review the City's impact fees on an annual basis and revise them as needed in response to changing costs.

4.03

PUBLIC FACILITY DEVELOPMENT

Promote collaborative, creative solutions between the public and private sectors to develop additional schools, parks, and other public facilities in the City.

- Intergovernmental Coordination
- Public/Private Partnerships

Action 4.03-A: School Mitigation Incentives

Explore the use of incentives and other programs encouraging developers to mitigate school impacts at a level beyond the maximum fees that may be imposed under State law.

POLICIES AND ACTIONS *(Mitigation of Public Facility Impacts continued)* **IMPLEMENTATION STRATEGIES**

4.04

PARK AND SCHOOL SITE ACQUISITION

Ensure that the feasibility of acquiring vacant or underutilized sites for park or school development is considered before approving housing development on those sites.

- City Operating Procedures
- Development Review

4.05

INFRASTRUCTURE FINANCING

Allow for flexibility in the financing of infrastructure improvements within new development, including the creation of special assessment districts (Mello-Roos districts) for new projects.

- Development Review

Goal: Citizen Participation**5**

Provide for active, timely citizen participation in all stages of housing-related programs.

POLICIES AND ACTIONS**IMPLEMENTATION STRATEGIES****5.01****COORDINATION AND OUTREACH**

Coordinate housing plans and programs with organizations that are broadly representative of people in the community, including homeowners, renters, businesses and institutions. Collaborative, productive relationships should be promoted between City staff, elected and appointed officials, and local homeowners associations.

Action 5.01-A: HOA Notification

Continue the practice of sending Board of Zoning Adjustments and Planning Commission agendas and other information concerning development applications to homeowners associations and interested individuals.

Action 5.01-B: Formation of New HOAs

Promote the formation of homeowners associations in neighborhoods that presently lack such groups.

- City Operating Procedures
- Development Review

5.02**STEWARDSHIP PROJECTS**

Encourage community organizations to assist in implementing General Plan policies on housing and residential neighborhoods, including neighborhood beautification and improvement projects.

- City Operating Procedures
- Program Development



POLICIES AND ACTIONS *(Citizen Participation continued)***IMPLEMENTATION STRATEGIES****5.03****INDIVIDUAL PARTICIPATION**

Encourage the participation of individuals as well as organizations in the planning process, since organizations may not always reflect individual needs and opinions.

- City Operating Procedures
- Development Review

Action 5.03-A: Posting and Advertising Requirements

Maintain posting and advertising requirements for proposed development which ensure that a high level of notification is provided to surrounding residents prior to consideration of development applications by the Zoning Enforcement Official, the Board of Zoning Adjustments, the Site Development Subcommittee, the Planning Commission, or the City Council.

5.04**COOPERATION WITH DEVELOPERS**

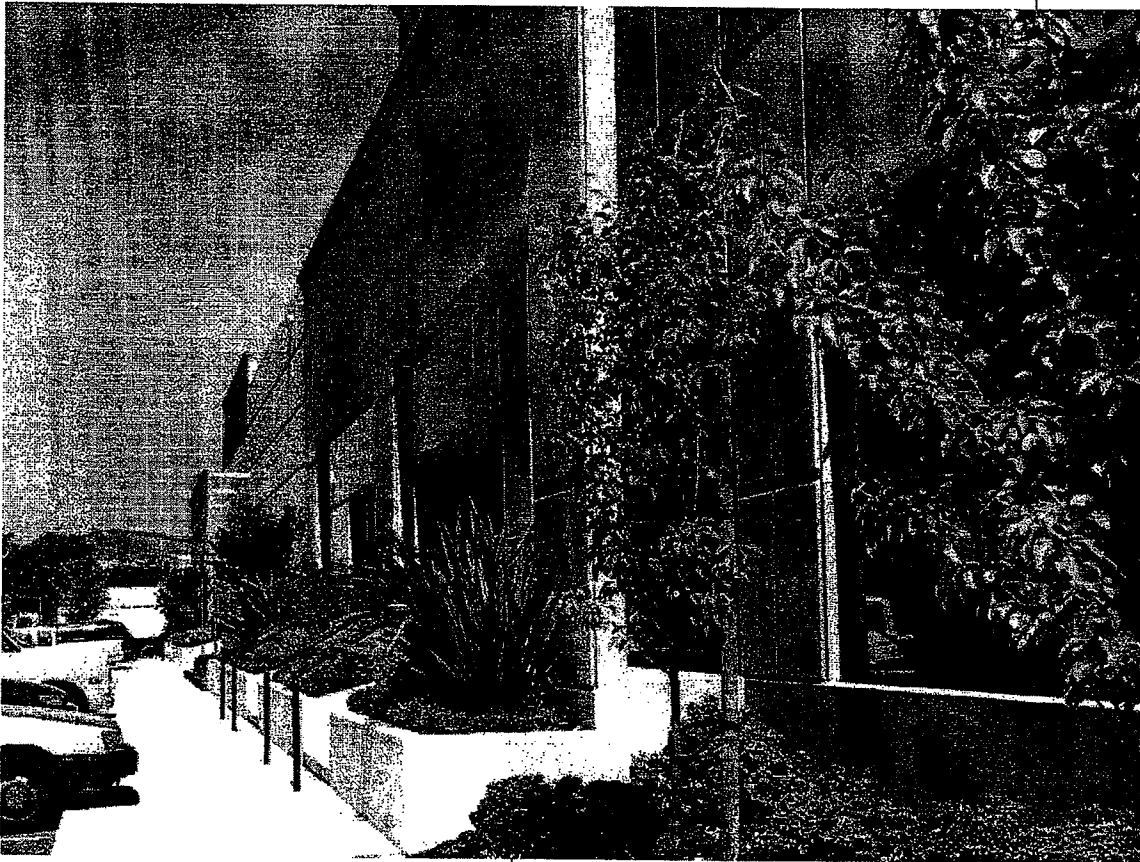
Work closely with developers and business interests to provide a constructive, cooperative attitude toward meeting the City's housing needs. Require developers to initiate early and frequent communication with affected neighborhood residents, local school boards, and homeowners associations.

- Development Review
- Public/Private Partnerships

Action 5.04-A: Consultation with HOAs and Neighborhood Groups

Establish standard operating procedures which involve homeowners associations and other neighborhood groups at the earliest point feasible in the development review process. Consider the legal means to require developers of projects above a certain size threshold to meet with homeowners associations or other neighborhood groups as a condition of Planning Commission approval.

BUSINESS AND INDUSTRY



A. OVERVIEW

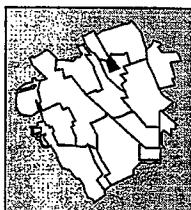
San Leandro has a well-balanced economy, with a diverse mix of manufacturing, wholesale and distribution facilities, retail and service businesses, health care industries, and "new economy" uses such as technology and internet firms. Almost a third of the City's land is used for industrial and commercial purposes, including about 1,800 acres of industrial land and 900 acres of commercial land. Industry and commerce provide thousands of jobs, millions of dollars in annual sales and property tax revenues, and many critical services to San Leandro residents. The City is committed to keeping its economy healthy, maintaining a competitive edge within the region, and staying attractive to established and emerging businesses.

The Business and Industry Sub-Element provides a policy framework that allows each of the City's business districts to evolve and change, while still maintaining the diversity that makes San Leandro's economy strong. It maximizes the private sector's ability to take advantage of new and emerging opportunities without compromising the vision described in the General Plan.

The Sub-Element begins with a profile of San Leandro's business environment and the major planning issues relating to business and industry in the City. Following this discussion, goals, policies, and actions provide guidance for future economic development and planning decisions. Because most of the City's business districts have been identified as Focus Areas, appropriate sections of the General Plan are cross-referenced for further guidance.

B. EMPLOYMENT DISTRICTS

Employment districts in San Leandro include Downtown, industrial and office areas, shopping centers, commercial corridors, and the Marina. Specific land use recommendations for these areas are contained in the Focus Area section (beginning on P. 106). The emphasis in the Business and Industry section is on the overall economic development objectives for each area.

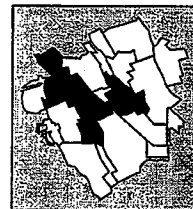
**Downtown**

San Leandro includes a mix of traditional "mom and pop" businesses, conventional shopping plazas and national chains, restaurants, offices, and services. The area's role as the City's major center for shopping and services has been diminished over the past half-century by outlying shopping centers and changes in consumer shopping patterns. However, there are signs that the tide is turning and that Downtown is once again becoming a magnet for new shopping, dining, cultural, and civic activities.



To succeed in the East Bay's highly competitive retail market, Downtown San Leandro needs to distinguish itself from other retail centers in the region. Rather than trying to compete with regional malls, neighborhood shopping centers, and big box outlets, the emphasis should be on specialty businesses, particularly those that can thrive in a unique, pedestrian-oriented environment. The area is well situated to serve a growing population of office workers in Downtown buildings and in the BART Station area. It offers unique opportunities for restaurants and entertainment venues, as well as new mixed use projects which combine housing, office, and retail uses. The street environment should define Downtown as "the" place in San Leandro where people want to be—a place to shop, eat, and relax.

Specific land use recommendations for Downtown are contained on Page 106.

**Industrial Districts**

Industrial activities have played an important role in San Leandro's economy since the 1860s, when Baker and Hamilton began manufacturing agricultural plows on East 14th Street. By 1960, there were more than 15,000 industrial jobs in the City. That figure remains about the same today, although the nature of industry has been transformed over the last 40 years. Most of the heavy manufacturing enterprises are gone, replaced by warehousing and distribution facilities, light manufacturing operations, and business service firms.

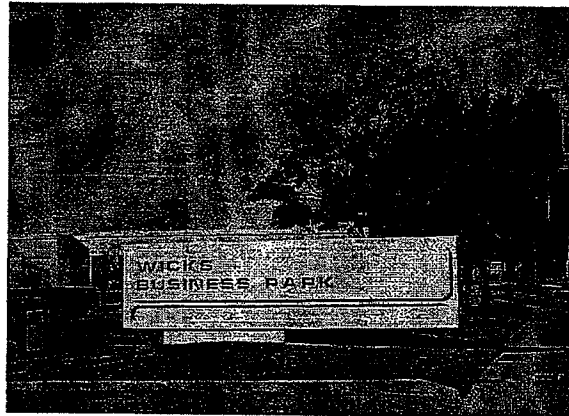
In 2000, San Leandro had about 14 million square feet of leasable manufacturing space, 16 million square feet of leasable warehouse space, and almost a million square feet of leasable research and development space. These assets make San Leandro one of the major industrial centers of the East Bay. During 2000, the vacancy rate was very low, hovering between one and two percent for manufacturing space and below three percent for

warehouse space. San Leandro rents were generally lower than rents in Berkeley, Emeryville, and Fremont, and were comparable to those in Oakland, Richmond, and Hayward.

San Leandro's industrial areas benefit from a strategic location with excellent transportation access, relatively affordable real estate, and a strong identity within the region as a manufacturing center. The City has one of the most central locations for business and commerce in the Bay Area. Proximity to Oakland International Airport, the Port of Oakland, and three freight rail lines present excellent opportunities for emerging industries serving Pacific Rim markets. San Leandro is well positioned to capture the overflow demand from the higher priced Berkeley-Emeryville market and the high tech corridor along Interstate 880 in Milpitas and Fremont. The City is also a desirable location for continued growth in the wholesaling, warehousing, and distribution sectors.

To take full advantage of the City's economic potential, older industrial buildings and sites will need to be adapted for contemporary uses. Redevelopment project areas have been formed in most of the City's industrial districts to facilitate this process. Redevelopment and economic assistance programs have already begun to reshape the areas around the Downtown BART Station and along Marina Boulevard. In other areas, the emphasis has been on adaptive reuse. For instance, the former Kaiser Aerotech plant has been adapted for long-term airport parking, and the former Aluserve plant on Davis Street has been adapted for cotton processing. Similar opportunities exist at the Kellogg's plant on Williams Street, and at several other former manufacturing sites. In some cases, interim uses of such buildings may take place until market conditions justify more comprehensive reuse of the sites.

While economic diversification is encouraged in San Leandro, the existing industrial base should also be strongly supported. Proposed changes to zoning, design review requirements, fees, taxes, and other ordinances must be carefully evaluated for their impacts on established businesses. Programs to nurture existing businesses, such as one-stop permitting, business development assistance funds for renovation, utility tax and personal property tax rebates, and design assistance should be sustained

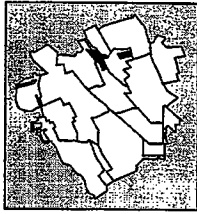


in the long run and expanded as funds allow.

One of the highest priorities related to economic development in the City is to encourage business to business relationships among local industries. Such relationships have a multiplier effect on the local economy, bolster corporate citizenship and stewardship, and help small businesses grow and succeed. Business transactions which involve the sale of goods to other businesses also generate sales tax revenue for the City. Historically, these transactions have been a very important component of municipal revenue in San Leandro. In the future, the City will facilitate business to business links through a variety of measures, such as tax incentives for businesses who purchase goods from local suppliers, business links through the City's website, and sponsorship of groups like the Industrial Roundtable.

Each of the City's major industrial districts—West San Leandro, South-of-Marina, and the Mid-Washington Corridor—has been designated a Focus Area and is covered at length later in this chapter.

Office Districts



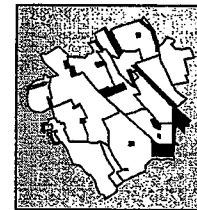
Historically, San Leandro has not been a major regional office center. Most offices are local-serving, providing space for medical and professional firms, banks, finance and insurance companies, and other small businesses. The greatest concentration of offices is in and around Downtown and along Davis Street. However, small office buildings exist along many of the City's thoroughfares and in the area immediately east of Downtown. There is also a growing inventory of office-flex space within the City's light industrial districts.

San Leandro will establish a clearer identity as an office market in the future. This will not only enable the City to attract higher-quality jobs, it will also allow growing local firms to remain in San Leandro. Although there are several potential locations in the City where a regionally recognized office district might be established, the Downtown BART Station area offers the best prospect. The completion of the 200,000 square foot Creekside Plaza office complex at Davis Street and San Leandro Boulevard will reinforce the area's role as an office hub. Additional office development in this area would capitalize on the availability of public transit as well as the proximity to Downtown San Leandro shopping and services.

With relatively affordable rents and a large inventory of light industrial buildings, San Leandro will also continue to have a dynamic office-flex market. Both the West San Leandro and South-of-Marina areas are well suited to meet the needs of this market. The inception of BART shuttle service between these areas and the Downtown BART Station may act as a catalyst for additional office-flex development.

Elsewhere in the City, smaller and more locally-oriented offices will continue to be incorporated in mixed use projects along corridor streets such as East 14th and MacArthur. The area around San Leandro Hospital has significant potential to become a center for medical offices. In the area east of Downtown, existing office buildings should be upgraded over time to make them more appealing to prospective tenants. The area's proximity to BART and smaller office configurations makes it appealing for start-ups and smaller companies.

Retail, Service, and Entertainment Districts



Retail and service uses represent a major part of San Leandro's economy. In 2000, over 20,600 persons worked in the City's retail and service sectors. Most of San Leandro's retail/service businesses are located in regional, community, and neighborhood shopping areas, and along commercial corridors such as East 14th Street. General Plan policies seek to establish a stronger identity and market niche for each retail/service area, thereby bolstering their economic performance. Figure 3-4 identifies the major retail/service districts in the City.

